

CHUBB & SON

1000 Locust Street, Philadelphia, PA 19107-3215 • 215.923.1000 • Fax 215.923.1010

VIA FACSIMILE AND USPS
513-651-2570

October 11, 2001

Randolph H. Freking, Esq.
Freking & Betz
215 East Ninth Street
Fifth Floor
Cincinnati, OH 45202

Re: Doug Baillie

Dear Randy:

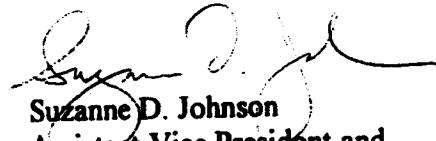
I received your letter dated October 8, 2001 that was faxed to me.

Please be advised that we do not wish to engage in a further discussion of the merits in this matter. Suffice it to say that Chubb has a defensible position in this matter and that its position differs from that of Mr. Baillie.

Please be advised that we will keep our offer open until October 18, 2001 for Mr. Baillie to sign his Release and Confidentiality Agreement ("Agreement"), after which our offer will be withdrawn. It is important to note that all of Mr. Baillie's stock options, vested and unvested, terminated on the last day of his employment. Unless Mr. Baillie chooses to sign his Agreement, he will be foregoing a significant amount of consideration as reflected in the Agreement.

Please call if you wish to discuss this further.

Very truly yours,


Suzanne D. Johnson
Assistant Vice President and
Associate Counsel

SDJ/sam
70015.01

bcc: Pat Harley



CHUBB

Chubb & Son, a division of Federal Insurance Company
15 Mountain View Road. P.O. Box 1615, Warren, New Jersey 07061-1615

Fax No. (908) 903-5787

FAX TRANSMITTAL COVER SHEET

DATE: October 11, 2001

Total number of pages: 2

TO: Randolph H. Freking, Esq.

Fax: 513-651-2570

FROM: Suzanne Johnson
Associate Counsel
General Counsel Department

Phone (908) 903-3822

To acknowledge receipt or correct transmission problems, please call: -
Sue Moeller at (908) 903-3586.

Message:

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Printer/Fax/Copier/ScannerFAX ACTIVITY REPORT for
CHUBB & SON
908 903 5787
Oct-11-01 11:59

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Pages Printed: 33